



Ninety-Eighth Legislature - First Session - 2003
Committee Statement
LB 490

Hearing Date: February 24, 2003

Committee On: Banking, Commerce and Insurance

Introducer(s): (Tyson)

Title: Create a fund and impose a surcharge on insurance policies under the Emergency Management Act

Roll Call Vote – Final Committee Action:

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

Vote Results:

6	Yes	Senators Quandahl, Jensen, Johnson, Louden, Mines, Redfield
2	No	Senators Tyson, Foley
	Present, not voting	
	Absent	

Proponents:

Senator Gene Tyson
William Cover
Norman Hoeft
Jim Gerweck
Nick Brekenfeld

Representing:

Introducer
NE Association of Emergency Management
NE Association of Emergency Management
Richardson County Emergency Management
Region 11 EM
NE Association of Emergency Management

Opponents:

Jay Seiboldt
Janis McKenzie
Bob Skochdopole

Representing:

NE Insurance Information Service
NE Insurance Federation
National Association of Independent Insurers

Neutral:

Representing:

Summary of purpose and/or changes:

LB 490 (Tyson) would amend sections 81-829.36 and 81-829.42 of the Emergency Management Act and would add four new sections to such act to create the Emergency Management, Preparedness, and Assistance Trust Fund, which would consist of funds derived from surcharges on residential and commercial property insurance policies, and which would be used for emergency management, preparedness, and assistance.

The bill would provide, section by section, as follows:

Section 1 would amend section 81-829.36 of the Emergency Management Act to provide for codification of new sections 3 to 6 of the bill within the act.

Section 2 would amend section 81-829.42 of the Emergency Management Act to provide that funds allocated from the Emergency Management, Preparedness, and Assistance Trust Fund created by this bill shall not qualify as funds regularly appropriated to state and local agencies for purposes of making funds available from the Governor's Emergency Fund.

Section 3 would provide that the Emergency Management, Preparedness, and Assistance Trust Fund is created; that the Nebraska Emergency Management Agency shall administer the fund; that the fund shall consist of money collected from surcharges on residential and commercial property insurance policies; and that the fund shall be used to provide funds for emergency management, preparedness, and assistance.

Section 4 would provide that an annual surcharge of two dollars shall be imposed on the property insurance policy of every homeowner, owner of a mobile home, tenant, and condominium unit owner in this state; and that an annual surcharge of four dollars shall be imposed on every commercial fire, commercial multiple peril, and business owner's property insurance policy. This section would provide that the surcharge shall be paid by the policyholder to the insurer and that the insurer shall collect the surcharge and remit it to the Department of Insurance, which shall collect, administer, audit, and enforce the surcharge. This section would provide that all proceeds of the surcharge shall be remitted to the State Treasurer for credit to the Emergency Management, Preparedness, and Assistance Trust Fund and shall not be used to supplant existing funding in the Governor's Emergency Fund.

Section 5 would provide that the Department of Insurance shall adopt and promulgate rules and regulations and prescribe the forms necessary to carry out sections 3 and 4 of the bill.

Section 6 would provide that the Nebraska Emergency Management Agency shall allocate the funds appropriated from the Emergency Management, Preparedness, and Assistance Trust as follows: (a) sixty percent to implement and administer state and city, village, county, or interjurisdictional emergency management programs; (b) ten percent to administer the fund; (c) twenty percent to the Governor's Emergency Fund; and (d) ten percent for grants and loans to city, village, county, or interjurisdictional emergency management organizations to implement projects which will further state and local emergency management objectives. This section would provide that no more than five percent of any award from the fund may be used by a local emergency management agency or organization for administrative purposes. This section would provide that the Nebraska Emergency Management Agency shall adopt and promulgate rules and regulations to establish the criteria and procedures used to allocate funds. This section would provide that if adequate funds are available, every county and interjurisdictional emergency management organization having a full-time program shall receive funds to fund a full-time director or coordinator position.

Explanation of amendments, if any:

Senator Mark Quandahl, Chairperson